

January 2, 2013

Mr. Steve Bainbridge, PE
Alaska Department of Environmental Conservation
Division of Spill Prevention and Response – Contaminated Sites Program
555 Cordova Street
Anchorage, AK 99501

Ms. Laura Hill
Senior Counsel
Williams
One Williams Center, Suite 4100
Tulsa, OK 74172

RE: Off-Site Sulfolane Obligations Transition Plan for Williams
Flint Hills Resources Alaska North Pole Refinery

Dear Mr. Bainbridge and Ms. Hill:

Flint Hills Resources Alaska (FHRA) appreciated meeting with both the Alaska Department of Environmental Conservation (ADEC) and Williams on December 19, 2012, to review the draft Compliance Order by Consent (COBC) that ADEC provided to Williams and FHRA on December 13, 2012.

As discussed during the COBC meeting, FHRA does not have responsibility to address Williams' pollution under Alaska statutes or regulation. During the meeting, FHRA referenced a plan to transition responsibility to Williams for all offsite work by the end of 2013. This letter identifies the major components to be transitioned.

As FHRA has implemented its response actions, its primary concern always has been protection of the potential off-site users of groundwater. As such, FHRA has prepared the following schedule to ensure an efficient and orderly transition of responsibilities to Williams. We have crafted this schedule to not jeopardize the program enacted by FHRA to protect the public's use of groundwater.

North Pole Refinery - Offsite Transition Schedule

Transition Item	General Scope	Schedule for Transition
Offsite Characterization Work and Reports	Prepare and conduct offsite characterization plans, investigations, and reports, as needed.	Williams' responsibility as of January 2, 2013.
Offsite Feasibility Study and Corrective Action Plan & Implementation	To be completed and submitted to ADEC.	Williams' responsibility as of January 2, 2013.
Sulfolane Degradation Studies	2013 activities including the study of potential sulfolane breakdown compounds through abiotic and anaerobic processes.	Williams personnel to begin participation in all planning and field work by January 2, 2013.

		<p>FHRA will continue to support efforts to identify intermediate breakdown products in on-site areas specifically in relation to performance of air sparging and also to ensure protectiveness of POE systems.</p> <p>Williams to manage all aspects of the offsite program by Dec 31, 2013.</p>
Human Health Risk Assessment	<p>FHRA submitted a revised final draft HHRA to ADEC on May 23, 2012. Previous communication with ADEC indicates that the revisions will only encompass updating a few pages of the document.</p>	<p>FHRA, as the original submitter, will work directly with Williams to respond to ADEC comments to the May 2012 HHRA. By Dec 31, 2013, Williams will work directly with ADEC regarding any offsite HHRA-related requirements.</p>
Point of Entry Treatment Systems and Ongoing Maintenance (long term alternate water supply)	<p>Point of entry (POE) treatment systems remove sulfolane at individual locations from well water prior to being delivered to the end user (residential or commercial). Includes installations at properties with detections (as selected by owners) and ongoing maintenance of installed systems.</p>	<p>Potable Water Supply program procedures to be submitted to Williams and ADEC by June 1, 2013, followed by transitioning responsibility to Williams.</p> <p>Williams to own & manage all aspects of program by Dec 31, 2013.</p>
Bulk Water Tank Systems and Ongoing Support (long term alternate water supply)	<p>Includes installations at properties with detections (as selected by owners) and ongoing provision of water based on specific agreements.</p>	<p>Potable Water Supply program procedures to be submitted to Williams and ADEC by June 1, 2013, followed by transitioning responsibility to Williams.</p> <p>Williams to own & manage all aspects of program by Dec 31, 2013.</p>
Bottled Water Service and Ongoing Support (interim and long term alternate water supply)	<p>Consists of providing interim and long term bottled water delivery service. It includes a water cooler dispenser and weekly deliveries of 3 or 5 gallon bottles of water at quantities that vary depending on the needs of each location. Includes establishing agreements for properties with detections (as selected by owners) and ongoing provision of water based on specific agreements. Includes provision of interim bottled water for those well owners who have</p>	<p>Potable Water Supply program procedures to be submitted to Williams and ADEC by June 1, 2013, followed by transitioning responsibility to Williams.</p> <p>Williams to own & manage all aspects of program by Dec 31, 2013.</p>

	not yet selected a long term alternate water supply solution. To date, interim bottled water supply also has been provided for locations near known sulfolane impacts, but without positive detections.	
Identify and Sample Offsite Private Wells at Risk	Initial sampling of private wells near the plume and resampling of previously ND private wells near known sulfolane impacts. To date, a buffer zone has been maintained, where wells have been sampled and are clean.	Potable Water Supply program procedures to be submitted to Williams and ADEC by June 1, 2013, followed by transitioning responsibility to Williams. Williams to own & manage all aspects of program by Dec 31, 2013.
Quarterly Offsite Groundwater Monitoring (Monitoring Wells)	Collect ongoing offsite groundwater field data, groundwater elevation measurements, and samples for sulfolane and natural attenuation parameters according to the Sampling and Analysis Plan.	Williams personnel to begin participation in all planning and field work by July 1, 2013. Williams to own & manage all aspects of program by Dec 31, 2013.
Deep Offsite Private Well Sampling	Per June 20, 2012 Work Plan, complete access agreements to selected offsite private water supply wells and monitor deep groundwater sulfolane concentrations. Work to be performed on quarterly basis for 2 years subsequent to obtaining access.	Williams personnel to begin participation in all planning and field work by July 1, 2013. Williams to own & manage all aspects of program by Dec 31, 2013.
Offsite Private & Monitoring Well Database	Supplements POE system engineering controls with a database containing latitude and longitude information matched to sulfolane concentrations over time in both offsite private drinking water wells and monitoring wells.	FHRA will continue to set-up database that allows ADEC to connect its GIS systems to database. Williams to own & manage all aspects of program by December 31, 2013.
ADEC Cost Reimbursement	ADEC oversight includes ADEC and other state agencies, as well as the accepted research work being accomplished by UAF.	Williams to assume payment of obligations by ownership dates specified in above tasks. UAF research previously approved by FHRA to be borne by FHRA through 2013, Williams to be responsible for any remaining UAF costs after 2013.

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FHRA appreciates that there is a significant amount of work and responsibility associated with the offsite sulfolane obligations and shares ADEC's concern that the affected community not be impacted by the change in responsibilities from FHRA to Williams. The above schedule has been created with this in mind, and FHRA expects that more detailed planning and coordination will be implemented to affect these changes. FHRA remains committed to providing the necessary resources, data and information for Williams to successfully undertake its offsite obligations. Contemporaneously, Williams will need to allocate the appropriate resources to achieve this transition, in conjunction with ADEC's assistance in facilitating the transfer.

FHRA is prepared to initiate transition discussions with Williams immediately in order to bring their team on-board as quickly as possible.

If you have any questions, please feel free to contact me directly at (316) 828-8496.

Sincerely,

A handwritten signature in black ink, appearing to read 'D.A. Smith', with a stylized flourish at the end.

David A. Smith
Koch Remediation & Environmental Services, LLC

cc: Cameron Leonard – State of Alaska Department of Law
Lauri Adams – State of Alaska Department of Law
Ann Farris - ADEC
Tamara Cordona – ADEC
Mark Gebbia - Williams
Loren Garner – FHRA
Travis Pearson – FHR
Marc Coggeshall - FHR